

**EDA
Minutes
August 21, 2024**

The Owatonna Economic Development Authority met in regular session at 4:00 pm in the Charles S. Crandall Center – Chambers at City Hall Building with President Raney presiding. Commissioners present: Dan Boeke, Andrew Cowell, Brenda DeVinny, Pat McDermott, Kevin Raney, and Doug Voss. Commissioners absent: Corey Mensink. Also present were Troy Klecker, Sean Williams, Lisa Cochran, and Kristen Kopp.

Approval of Minutes. Commissioner Boeke moved approval of the minutes of the July 17, 2024 meeting with second by Commissioner Cowell. All Commissioners voting Aye, the motion passed.

Treasurer's Report. Community Development Director Troy Klecker presented the revenue and expense reports for July. He said that second half contract payments have been paid.

Loan Report. OABDC Director Sean Williams presented the loan report for July. He said that all loans are current.

OACCT / OPED Report. Community Development Director Troy Klecker said that OPED is focusing on Riverland. They are trying to get their attention with the hopes of doing more at the Owatonna site. The Riverland Owatonna dean, Matt Bissonette, joined the group to discuss plans for the campus. MNSCU is such a big system that it's hard to change anything, but they are working at it. The new President is coming in a few weeks. There have been a couple of Real Estate Journal Events. Chamber Director Brad Meier and Community Development Manager Greg Kruschke have attended and made some good connections. There was a golf tournament on Monday where they were stationed at a hole. 160 people came through.

OABDC Report. OABDC Director Sean Williams presented the OABDC report for July. He said they are executing an agreement for their software studio and will be able to serve at least 60 entrepreneurs directly across southeast Minnesota and more online after the fact. That was part of their Deed grant, and they are super excited about that. They put out an RFP for a maker space as part of the grant. That did not go as planned and he will have more information at the next EDA meeting. They started their monthly business owners connect up, which is basically entrepreneurs helping entrepreneurs. They had 11 participants show up for the first meeting. It's the second Thursday of every month at Torey's. They are doing their next round of Co.Starters this fall and offering both a Spanish and an English cohort. They also had a Co.Starters Workshop and four entrepreneurs participated. As far as the Center goes, they are up over twice what they had last year. They have three consultants working with entrepreneurs. As far as manufacturing and office space, they have a lease drafted for a new tenant that will put them over their budget numbers. They're a new manufacturer here in town and are leasing an office and manufacturing space, which is exciting. Voss said he senses some excitement over the software studio. He asked if there was a drop dead on the maker space. Williams said that are at a drop-dead point with this RFP. They are either going to have one of they're not. Cowell asked if the Library still has their maker space. Klecker said they have the equipment, but he's not sure

how operational it is. Williams said he will ask them. He said that they have paperwork out to Walbran on Forgivable Loans.

EDA Projects. Community Development Director Troy Klecker presented the EDA Projects for July. Cemstone has taken down the plant on the east side. He is still talking about them using the east side on a temporary or permanent basis. The reason they haven't started building the new building is they haven't figured out their plan for retail sales. They are investigating several options. Our development agreement with them ends in May of next year. The City owns 224 Cedar Avenue North again and will continue to market it. There have been a couple parties interested in 117 Bridge Street West. The Riverfront project is moving along well and 11 of the units are leased. Mineral Springs Brewery's area is almost entirely enclosed. Scooter's Coffee is running into a little snag on their financing and it will be reappraised. They are still planning to build. Foamcraft is nearly done and a final inspection is scheduled. There is a closing date set for August 29 for the State Avenue lot.

New Business:

Interior Forgivable Loan – 114 Cedar Avenue North (Tone Music). Andy Cowell abstained from this discussion and motion. Cochran said that Mara Schack, owner of Tone Music (the business but not the building), applied for an interior forgivable loan. She has a lesson room in the lower level, but she would like to put a lesson space on the main floor so that it is accessible for anyone. The interior is \$4,575, so almost \$10,000 total for that project. She's submitted everything she needed and is almost ready to put in an exterior application as well. Voss asked if there was a difference because she's a tenant and not the owner. Do we need any participation from the building owner? Klecker said no. The stipulation is that the business stays there for five years. If not, it needs to be paid back at a prorated rate. Cochran said it will be two practice rooms. She said that Jerry, the building owner, is very much for everything she is doing. Raney asked if there was any paperwork. Lisa said she has it, but they have never sent it to the board before. Williams said that her financials checked out. Klecker said this is how it's set up. Lisa said they wouldn't bring it to the board for approval if financials didn't check out. Voss said they've had very few loans that didn't use the whole amount.

Klecker said that Urban Loft is going out of business and that loan was just approved. Williams said if it's the building owner, as long as they own the building, the loan is still good. He will double check. Cochran said that the loan was to Chris Prohaski.

A motion was made by DeVinny and seconded by McDermott to approve an interior forgivable loan for a total of \$4,575. With Cowell abstaining, all Commissioners voting Aye, the motion carried.

Schedule Next Meeting. The next EDA meeting is scheduled for **September 18, 2024** at 4:00 pm. in Charles S. Crandall Center – Meeting Room at City Hall.

Adjournment. There being no further business, a motion was made by Commissioner DeVinny and seconded by Commissioner Cowell to adjourn the meeting at 5:25 pm. All Commissioners voting Aye, the motion passed.